

A U S T I N C I T Y C O U N C I L

AGENDA



Thursday, December 07, 2006

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Purchasing Office RECOMMENDATION FOR COUNCIL ACTION

ITEM No. 19

Subject: Authorize execution of a 24-month cooperative agreement with the TEXAS ASSOCIATION OF COMMUNITY HEALTH CENTERS (TACHC), Austin, TX, and CARDINAL HEALTH, INC., Dublin, OH, for participation in a TACHC supply contract with Cardinal Health, Inc., to provide pharmaceutical products for the Community Care Services Department in an amount not to exceed \$8,159,055, with three 12-month extension options in an amount not to exceed \$4,769,053 for the first extension option, \$5,222,113 for the second extension option, and \$5,718,214 for the third extension option, for a total contract amount not to exceed \$23,868,435.

Amount and Source of Funding: Funding in the amount of \$3,059,646 is included in the Fiscal Year 2006-2007 Operating Budget of the Community Care Services Department. Funding for the remaining 15 months of the original contract term and the three extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

Additional Backup Material

(click to open)

No Attachments Available

For More Information: Barbara McConnell, Buyer I/972-4009

Purchasing Language: Cooperative Purchase

Prior Council Action: 12/06/01- approved 12-month Letter of Agreement, 01/09/03 -approved 12-month Letter of Agreement with three 12-month extension options

This action will allow the Community Care Services Department (CCSD), which is a member of Texas Association of Community Health Centers (TACHC), to continue to access the contract between TACHC and Cardinal Health, Inc. (Cardinal) and acquire pharmaceuticals at discounted prices under TACHC's Pharmacy Group Purchasing Program (Program). The Program utilizes United States Public Health Service pricing which is available to CCSD through the TACHC contract with Cardinal.

The contract provides pharmaceuticals and supplies that CCSD dispenses to its patients through the Community Health Centers (CHCs). Because the CHCs are designated as Federally Qualified Health Centers, their pharmaceutical pricing is established by the United States Department of Health and Human Services through the Public Health Service (PHS) pricing policy. This cooperative purchasing program was established as a national structure for health centers to make use of their collective purchasing power and is authorized under the provisions of 340B legislation passed by Congress in 1992 to allow access to reduced price prescription drugs to health care facilities certified by the U.S. Department of Health and Human Services.